

BUDGET HEARING

ON

**THE FISCAL YEAR 2013 BUDGET REQUEST
OF THE
OFFICE OF THE CHIEF FINANCIAL OFFICER**

**Before the
Committee on Finance and Revenue
Council of the District of Columbia**

The Honorable Jack Evans, Chairman

**April 19, 2012, 10:00 a.m.
John A. Wilson Building, Room 500**



**Testimony of
Anthony F. Pompa
Deputy Chief Financial Officer
Office of Financial Operations and Systems**

Good morning Chairman Evans and members of the Committee on Finance and Revenue. My name is Anthony Pompa and I am the Deputy Chief Financial Officer for the OCFO's Office of Financial Operations and Systems (OFOS). I am pleased to be here today to present testimony on the FY 2013 budget request for OFOS as well as other related matters.

OFOS Operations

OFOS is primarily responsible for maintaining the District's general ledger, producing the District's Comprehensive Annual Financial Report (CAFR), and administering the District's payroll and retirement systems. Accordingly, OFOS's operations are divided into two functional areas: the Controller's Office and the Office of Pay and Retirement Services.

Controller's Office

The Accounting Operations Division within OFOS maintains the District's general ledger (District's "books of record") to ensure that timely and accurate information is available to stakeholders.

OFOS's Financial Control and Reporting Division (FCRD) examines reports, analyzes data, prepares reclassification and other correcting entries, provides accounting and reporting guidance to agencies, interacts with various auditing teams, and prepares the CAFR. The FCRD also provides training on the District's financial management systems, offers assistance to agencies through the SOAR Help Desk, and maintains security for all financial system applications.

OFOS's Policies and Procedures Division manages the development, update, and maintenance of the District's Financial Policies and Procedures Manuals.

OPRS Functions

The Office of Pay and Retirement Services (OPRS) ensures that the District's workforce and annuitants are paid on time and in accordance with applicable laws and regulations. During FY 2011, OPRS processed two bi-weekly payrolls and one semi-monthly payroll for approximately 32,000 active employees and one monthly annuity payroll for approximately 3,800 federal annuitants. These payrolls were processed using two different payroll systems, the new PeopleSoft Payroll System for active employees and the Pension Automated Payroll System (PAPS) for federal annuitants.

During the year, OPRS continued to implement enhanced capabilities using PeopleSoft through the Employee Self Service System (ESS). Employees can log into the PeopleSoft system from any computer with Internet connections to: view and print current and prior pay period earning statements, enter time worked (which still must be approved by their supervisor), and print their calendar year W-2 Wage and Tax Statement. The ESS features allow employees to perform a variety of actions such as: start/stop/change allotments; change withholdings for Federal and State taxes; designate dollar amounts for contribution to the District's 457 Deferred Compensation Plan; change their home address and update other personal information regarding self and/or dependents.

FY 2013 Operating Budget Request

OFOS is requesting a total budget of \$ 11.1 million and 92 full-time equivalents (FTEs) to support the Controller and Pay and Retirement operations. OFOS's overall FY 2013 budget request is approximately \$462,000 more than the budget for FY 2012, which represents an increase of approximately 4.1%, due largely to a cost adjustment to current services and an increase in O-type budget authority for necessary programming to modify the retirement system for Park Police and Secret Service. We will be reimbursed by US Treasury for these costs. The number of FTEs requested for FY 2013 is unchanged from the approved FTE level for FY 2012.

FY 2012 Accomplishments

OFOS continually assesses operations and implements measures to enhance overall efficiency, reliability, and effectiveness. Through such internal assessments, OFOS has been able to make significant improvements and has accomplished much during the first half of the current fiscal year. Some of these accomplishments include the following:

- The FY 2011 annual close process was completed timely with improved efficiency, and no major drawbacks or delays. OFOS noted improvements in this process from District agencies focusing more on general ledger “clean-up” during the March and June interim closes. Consequently, agencies were able to complete annual closing requirements in a more timely and accurate manner.

- The FY 2011 Comprehensive Annual Financial Report (CAFR) was completed on time with a clean audit opinion.
- The FY 2011 Yellow Book Report contained no material weaknesses and two significant deficiencies. Based on the FY 2011 audit results, the most notable improvement was that the number of reported deficiencies decreased from the prior year, in which five significant deficiencies had been reported. This accomplishment is the direct result of the District's focused efforts to timely address and resolve audit findings each year.
- OPRS and OCTO PeopleSoft Support are working with several District agencies to improve the automated interfaces into PeopleSoft. In addition, OPRS is working to identify and implement measures to strengthen the internal controls over all payments (e.g., regular payrolls, supplemental payrolls, back pay case payments, and refunds of deductions due to employee changes in benefits, overpayments and collections therein) and improve OPRS's general business processes.
- OPRS and staff in the DC Department of Human Resources, the Office of the Chief Technology Officer, and the Office of Risk Management, are working together to implement the District's Worker's Compensation Services in PeopleSoft. In addition, OPRS is working with the Federal Police to replace the legacy PAPS system with PeopleSoft for payment of the Federal Annuitants.

Mr. Chairman, this concludes my testimony. I would be pleased to answer any questions that you or other members of the Committee may have at this time.